

June 29, 2012

To: Executive Board

Subject: **Contract Transition – Foothill Transit Arcadia Operations**

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### **Recommendation**

Receive and file a status update on contract transition activities at Foothill Transit's operations and maintenance facility in Arcadia.

### **Analysis**

MV Transportation currently provides operations and maintenance services for 117 CNG buses and 23 diesel buses operating out of Foothill Transit's facility in Arcadia. All of the optional extensions of the contract have been exercised and the current agreement will terminate on June 30, 2012. At the April 27, 2012 meeting the Executive Board authorized award of a contract to First Transit, Inc. for transit operations and maintenance services at Foothill Transit's Arcadia facility. Since then, Agreement No. 12-002 for operation and maintenance at the Foothill Transit Arcadia facility has been executed and transition activities are now well underway with a contract turnover date of July 1, 2012.

As of June 18, 2012 First Transit has completed the hiring and on-boarding process for 356 of the 363 coach operators, dispatchers, technicians, and administrative personnel to be employed as indicated in their Best and Final Offer submitted during the proposal evaluation process. Most of these individuals are current MV Transportation employees. It should be noted that California Labor Code Sections 1070-1074 apply to any local government agency, including any city, county, special district, transit district, joint powers authority, or nonprofit corporation that awards or otherwise enters into contracts for public transit services performed within the State of California. Section 1072 includes the following language:

*(a) A bidder shall declare as part of the bid for a service contract whether or not he or she will retain the employees of the prior contractor or subcontractor for a period of not less than 90 days.*

*(b) An awarding authority letting a service contract out to bid shall give a 10 percent preference to any bidder who agrees to retain the employees of the prior contractor or subcontractor pursuant to subdivision (a).*

All four proposers on the Foothill Transit Arcadia contract indicated compliance with the California Labor Code Sections 1070-1074. The Labor Code further states:

*A successor contractor or subcontractor who agrees to retain employees pursuant to subdivision (a) shall retain employees who have been employed by*

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*the prior contractor or subcontractors, except for reasonable and substantiated cause.*

As part of the transition process to a new employer, all coach operators and maintenance technicians receive an orientation and training that is specific to First Transit. Their skills are also assessed and each employee also receives refresher customer service training. All training activities associated with the transition process take place outside of the employee's normal working hours, minimizing impact on the current service being provided. First Transit also began training classes for new hires. These classes are staggered so that the training is provided efficiently and effectively and to ensure that a sufficient number of operators are trained and ready on July 1.

The turnover process also involves a complete audit and inspection of Foothill Transit's fleet, facility and equipment at the Arcadia location to ensure that all Foothill Transit assets are returned in a condition that meets Foothill Transit's standards. The initial turnover audits and inspections have been completed and MV Transportation is working to address any issues identified by members of the administrative team or by independent third-party contractors hired to complete the turnover assessments.

A second audit and inspection is scheduled to be completed along with First Transit personnel during the week of June 24 prior to Foothill Transit's assets being delivered to First Transit for provision of service during the term of our agreement with them. First Transit will begin delivery of service out of Foothill Transit's Arcadia location beginning at midnight on July 1, 2012. The agreement is for a four-year term with three two-year options that can be exercised at Foothill Transit's sole discretion.

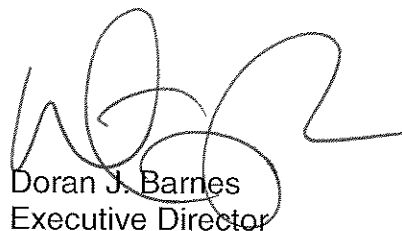
**Budget Impact**

This is a status update item only. There is no budget impact.

Sincerely,



Kevin McDonald  
Deputy Executive Director



Doran J. Barnes  
Executive Director